

FISCAL NOTE

Bill #: HB0357

Title: Allocate % of video gaming tax to horse racing breeder purses and other purposes

Primary

Sponsor: Daniel Fuchs

Status: Second Reading

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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Fiscal Summary

	<u>FY2002 Difference</u>	<u>FY2003 Difference</u>
Expenditures:		
General Fund	125,000	125,000
Revenue:		
State Special Revenue (02)		
Growth Thru Agriculture	(386,125)	(386,125)
Board of Horseracing	386,125	386,125
Net Impact on General Fund Balance:	(\$125,000)	(\$125,000)

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
	X	Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget		X	Significant Long-Term Impacts
	X	Dedicated Revenue Form Attached		X	Family Impact Form Attached

Fiscal Analysis

ASSUMPTIONS:

Department of Agriculture

- Section 2 appropriates from the Growth Through Agriculture Program any unencumbered amount in FY 2001 up to \$386,125 to the Board of Horseracing for the purposes of paying for additional breeders' bonuses and for other horseracing purposes as defined in section 1. Currently, the unencumbered balance is \$50,541. However, there is one more meeting scheduled to review funding requests in FY 2001 and it is anticipated that the unencumbered balance after the meeting will be zero.

(continued)

- Funding for agriculture value-added projects and business assistance investments and loans will decrease by \$386,125 in FY 2002 and again in FY 2003.

Department of Commerce

- HB 357 as amended also provides the Board of Horseracing with a \$250,000 general fund appropriation for the 2003 biennium beginning July 1, 2001. For the purposes of this fiscal note, it is assumed the biennial appropriation would be expended in equal amounts each year of the 2003 biennium. Since the Growth through Agriculture appropriation is statutory, those expenditures are not shown in this fiscal note.
- The Board of Horseracing would implement procedures for disbursing 20% of the funds to the breeders of Montana-bred horses that have won a race in Montana, and the other 80% would be used for payment for promotional and operating expenses.

FISCAL IMPACT:

Department of Commerce:	<u>FY2002 Difference</u>	<u>FY2003 Difference</u>
<u>Expenditures:</u>		
Operating Expenses	100,000	100,000
Breeders Bonus	<u>25,000</u>	<u>25,000</u>
TOTAL	\$125,000	\$125,000
<u>Funding:</u>		
General Fund (01)	\$125,000	\$125,000
<u>Revenues:</u>		
General Fund (01)	\$0	\$0
State Special Revenue (02)		
Growth Thru Agriculture	(386,125)	(386,125)
Board of Horseracing	386,125	386,125
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
General Fund (01)	(\$125,000)	(\$125,000)

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Of the additional revenue to the Board of Horseracing, 80% would be used for promotional and operating expenses of licensed horse racing operations and 20% used to provide a bonus to breeders of Montana-bred horses. Increased interest in the breeding and promoting of Montana-bred horses is thought to be beneficial to the agricultural community, while the 6 to 8 licensed racetracks would receive additional funding to assist in promotional and operational activities.

Growth Through Agriculture Program grants would be reduced by \$386,125 per year for four years.

LONG-RANGE IMPACTS:

Funding provisions would continue for four years.